



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

November 10, 2005

### **S. 1699**

### **Stop Counterfeiting in Manufactured Goods Act**

*As reported by the Senate Committee on the Judiciary on November 3, 2005*

CBO estimates that implementing S. 1699 would have no significant cost to the federal government. Enacting the bill could affect direct spending and revenues, but CBO estimates that any such effects would not be significant. S.1699 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

S. 1699 would expand the federal crime against trafficking in counterfeit goods or services by including penalties for those who traffic in counterfeit labels, patches, symbols, packaging, or other types of marks. Thus, the government would be able to pursue cases that it otherwise may not be able to prosecute. However, we expect that S. 1699 would apply to a relatively small number of additional offenders, so any increase in costs for law enforcement, court proceedings, or prison operations would not be significant and would be subject to the availability of appropriated funds.

Because those prosecuted and convicted under S. 1699 could be subject to criminal fines, the federal government might collect additional fines if the legislation is enacted. Collections of such fines are recorded in the budget as revenues, which are deposited in the Crime Victims Fund and later spent. CBO expects that any additional revenues and direct spending would not be significant because of the small number of cases involved.

On April 15, 2005, CBO transmitted a cost estimate for H.R. 32, the Stop Counterfeiting in Manufactured Goods Act, as ordered reported by the House Committee on the Judiciary on April 13, 2005. The two bills are similar and the cost estimates are identical.

The CBO staff contact for this estimate is Mark Grabowicz. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.